



**The Deputy Secretary of Energy**  
Washington, DC 20585

April 20, 2000

**MEMORANDUM FOR HEADS OF ALL DEPARTMENTAL ELEMENTS**

From: T.J. Glauthier

Subject: Performance-Based Management at DOE

The Department recently marked the first complete cycle for a fiscal year under the Government Performance and Results Act of 1993 (GPRA) by publishing the FY 1999 Accountability Report. The Accountability Report combines reporting on the Secretary's Performance Agreement with the President with the audited financial statements.

An annual accounting of our performance is the last step in the basic management cycle of planning, budgeting, executing, and evaluation that we refer to as our Strategic Management System. The Department has come a long way since launching its results-oriented approach in 1993 with the development of the first ever Departmental Strategic Plan, annual performance agreements with the President, performance-based contracting, business management oversight pilots (BMOP), budget justification being based on performance, and a new performance-based employee appraisal system in Headquarters.

The purpose of this memorandum is to establish performance-based management as the management approach for the Department. As the Chief Operating Officer, I am directing the Department to continue to use performance-based management as its tool to: plan for, manage, evaluate, and reward organizational, employee, and contractor performance; improve the delivery of products and services, facilitate communications with customers and stakeholders; encourage employees and contractors to achieve excellence; and guide decision-making.

Performance-based management at DOE includes identifying clearly what needs to be accomplished; determining performance objectives and delegating authorities to the level closest to where the work is to be performed; deciding what to measure and the appropriate data collection methods; establishing challenging and realistic performance expectations; maintaining operational awareness; and collecting performance data, assessing actual performance against expectations, and using results to improve performance.

These are the guiding principles for the application of performance-based management at the Department:

1. Performance objectives, measures, and expectations will be established in partnership with affected organizations, employees/employee representatives, contractors, and other stakeholders. These objectives will link with and support strategic, multi-year, and annual goals of the parent organizations up to and including the Department.

2. Resource decisions, including annual budget requests, will be made and justified based on well-documented, previously achieved results and expected future workload and outcomes.
3. Self-Assessment will be a primary tool used at all levels to assess and evaluate results and to improve performance. Evaluation will also include operational awareness, periodic reviews and “for cause” reviews.
4. Performance results will be used to: improve on-going efforts, hold managers, employees, and contractors accountable and recognize their performance; and inform the Department’s performance management program.

We recognize that no management approach can anticipate all potential situations. In addition, we accept that because we are stewards of public funds and work for the American taxpayer, how we do our work is often as important as the end-results of our work. Therefore, DOE’s performance-based management approach includes the necessary flexibility and mechanisms to ensure effective stewardship of public funds and accountability to the American taxpayer.

When establishing new or revising existing requirements documents, Departmental elements should, as deemed appropriate, ensure that such documents are made consistent with this memorandum and its guiding principles.

cc: Bill Kennedy, CR